



Internationally agreed principles for financing social protection

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About the USP2030 partnership

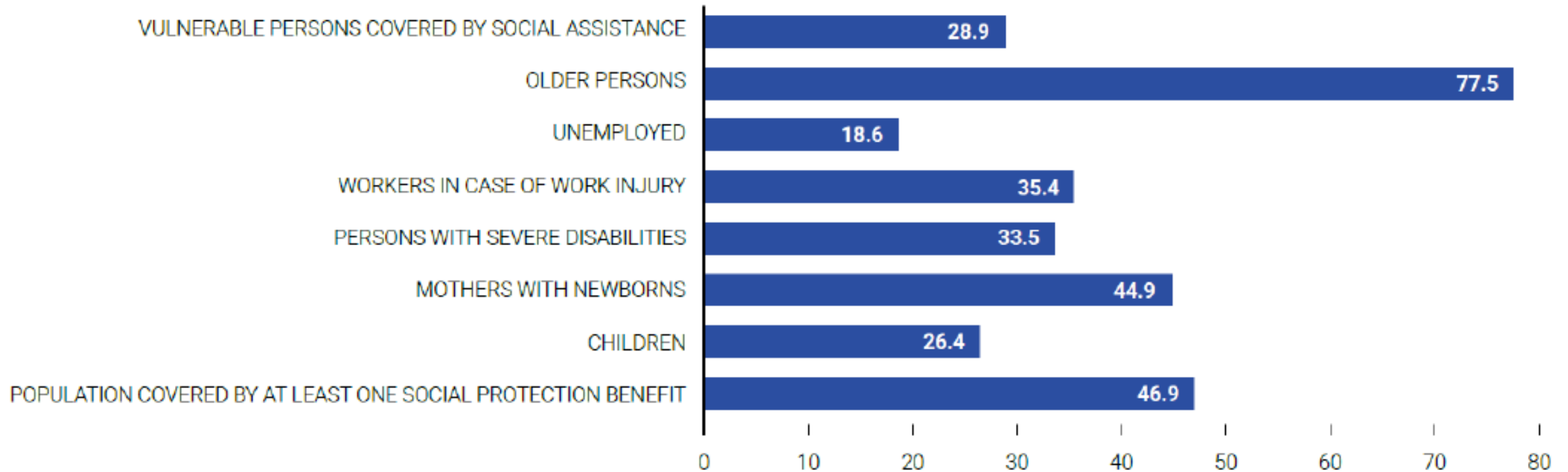
USP2030's mission is to achieve the promise of SDG 1.3: "Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable."

USP2030 members can:

- **draw upon a global network of key actors** with cutting-edge expertise in universal social protection
- **exchange country experiences** in formulating and implementing social protection policies, and monitoring progress towards achieving universal social protection
- **engage in a global forums for knowledge development** and sharing, bringing together all relevant stakeholders
- **bring country and constituency perspectives to bear**, in shaping the global social protection agenda and maintain a strong voice for country ownership, responsibility and participation

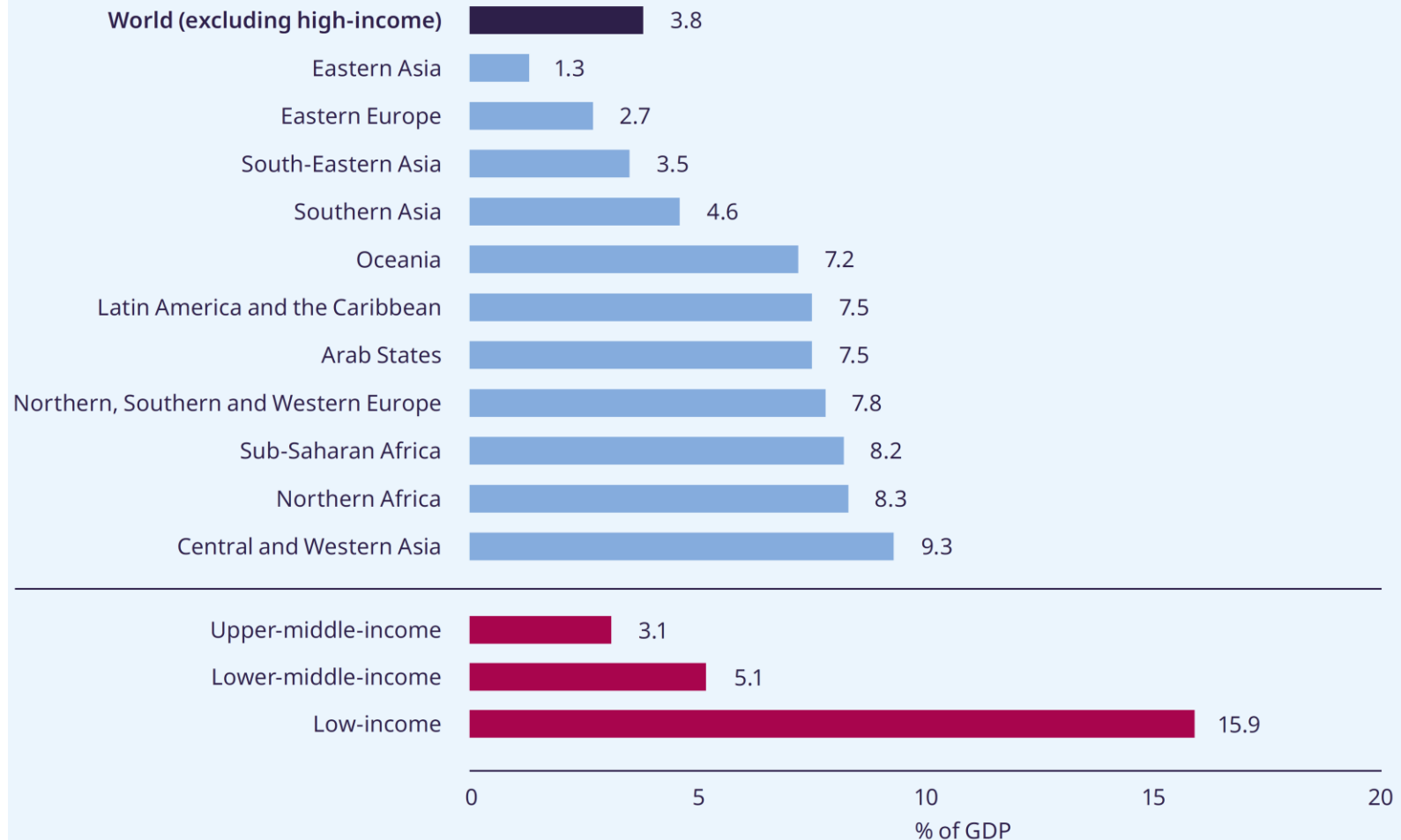
Why a working group on financing, low coverage

Effective Coverage Social Protection



Driven by limited financing

► **Figure 2.12 Annual financing gap to be closed in order to achieve SDG targets 1.3 and 3.8, by region, subregion and income level, 2020 (percentage of GDP)**



Sources: ILO, [World Social Protection Database](#), based on the SSI; IMF; ECLAC; national sources; WHO.

Link: <https://wspr.social-protection.org>.

About the USP2030 financing working group

- The USP2030 Working Group on Financing was established to facilitate dialogue and the development of shared policy priorities among a diverse range of actors working in the area of social protection financing. The group includes:



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About the USP2030 financing working group

- The USP2030 financing group has three product lines:
 - i. Joint statements and agreements
 - ii. Informal discussion series and readouts
 - iii. Resource updates.



Joint Statement: Principles for Financing Universal Social Protection

Summary

Universal social protection is an essential means to prevent and reduce poverty and inequality and is at core of the social contract that connects the state with the society, contributing to more inclusive, equitable, stable, and peaceful societies. With the ongoing economic effects of COVID-19, the unfolding cost of living crisis, and the ever-growing impacts of climate breakdown the need for social protection has never been greater. And yet large and entrenched coverage gaps remain, with a lack of available and accessible financing a major bottleneck in achieving universal social protection. In light of this challenge the USP2030 working group on financing has jointly agreed the following key principles to guide the international and national financing of social protection.

- I. **The financing of social protection should take a rights-based approach and be guided by international social security standards.** States have the obligation under international human rights treaties and international social security Conventions to progressively realize the universal right to social security, including to allocate maximum available resources to realize the right of all individuals to social security.
- II. **The State is the key actor for social protection financing and implementation with six key priorities outlined for domestic resource mobilization.** These include:
 - i. Assign greater priority to social spending within government budgets.
 - ii. Enhance the progressiveness and effectiveness of the tax system to increase tax revenue and ensure equity in financing efforts.
 - iii. Increase revenues from social insurance contributions by expanding coverage of social insurance schemes to previously uncovered workers.
 - iv. Improve the efficiency and transparency of public financing of social protection across all relevant levels and agencies of government and partners.
 - v. Ensure adequate provision of shock-responsive financing.
 - vi. Engage in inclusive social dialogue to determine the reforms and financing of the social protection system.
- III. **International resources should support the expansion of social protection systems in countries with limited fiscal space.** Given that closing financing gaps for social protection through domestic resources will not be possible in the short term for many countries, there needs to be increased international support, with a focus in the following areas:
 - i. Increased and better coordinated international financial support for social protection.
 - ii. Debt relief and restructuring.
 - iii. International tax reform to increase revenues.
 - iv. Coordinated international policy advice.

3 foundational principles for financing universal social protection

1. The financing of social protection should take a **rights-based approach** and be guided by international social security standards.
2. **The State is the key actor for social protection financing** and implementation with six key priorities outlined for domestic resource mobilization.
3. **International resources should support the expansion of social protection** systems in countries with limited fiscal space.

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- b) Enhance the progressiveness and effectiveness of the tax system to increase revenues.
- c) Increase revenues from social insurance contributions by expanding coverage of social insurance schemes to previously uncovered workers.
- d) Improve the efficiency and transparency of public financing of social protection across all relevant levels and agencies of government and partners.
- e) Ensure adequate provision of shock-responsive financing.
- f) Engage in inclusive social dialogue to determine the reforms and financing of the social protection system

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A bigger slice



- A fundamental right
- A right, that underpins other rights
- An efficient long-term investment

But not a right that works best on its own

A bigger pie



- Domestic resource mobilization, but from where?
- Easing fiscal constraints, including addressing debt
- International commitment

Thank you!